

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7838**

**BILL NUMBER:** HB 1630

**NOTE PREPARED:** Jan 22, 2007

**BILL AMENDED:**

**SUBJECT:** Access to Economic Development Proposals.

**FIRST AUTHOR:** Rep. Harris T

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local.

**Summary of Legislation:** The bill provides that a nonprofit corporation engaged in economic development activities that is a public agency for purposes of the open meetings law and open records law may conduct discussions and negotiations with commercial and industrial prospects in an executive session. It also allows the corporation to withhold records relating to the discussions and negotiations from public inspection and copying.

It requires the corporation to disclose an economic development contract or commitment or other final offer to a prospect after discussions and negotiations have ended.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** Under current law, for violation of the open meetings act, any person may file an action to obtain a declaratory judgment; enjoin continuing, threatened, or future violations of this chapter; or declare void any policy, decision, or final action. Also, a person who has been denied the right to inspect or copy a public record may file a civil action to compel the public agency to permit the person to inspect and copy the public record. If fewer actions are filed because the negotiation between a nonprofit corporation and industrial or commercial prospects for recruitment, retention or expansion, promotion and development of tourism, creation of new jobs, acquisition of land or infrastructure for industrial purposes, promotion of general job and business growth, or stimulation of private investment, may be conducted in executive session, revenues from court fees would be reduced. Also, revenues from court fees could be reduced if the records relating to discussions and negotiations between a nonprofit corporation and industrial

or commercial prospects are exempt from public records laws while the discussions or negotiations are in progress.

A civil filing fee of \$100 is assessed when a civil case is filed, 70% of which is deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If additional civil actions occur, local governments receive revenue from the following sources. The county general fund receives 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee is deposited in the county general fund and 25% is deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:** Agencies that are nonprofit corporations engaged in economic development activities.

**Local Agencies Affected:**

**Information Sources:**

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